

# **Program Operations & Requirements ...**

**Private Sector Outreach and  
502(e)**

**June 5, 2003**

**1:30 - 3:00 pm**

# ADVANTAGES

## [to positive business ties]

- Increased leverage with the LWIB
  - performance standards
  - special population designation
  - customer satisfaction
- Increased opportunities for viable partnerships with other One-Stop partners
- Increased access to WIA intensive and training funds
- Increased SCSEP unsubsidized placements



# Educate WIB members

- Let them know about employers satisfied with your program and clients
  - Numbers of placements
  - Types of jobs and skills
- Tap employer information they have
- Partner with other One-Stop partners
- Become a member of a WIB committee

# PARTNERING ADVANTAGES TO BUSINESS

- Access to programs that will expand hiring sources at low/no cost
- Access to knowledge about demographic trends and recruiting, managing/training an older workforce
- Links to eldercare resources that can benefit company employees
- **Publicity opportunities** ✓ communicate business interest in community issues to the public
- **Tangible way to meet community needs**



# US Chamber of Commerce Survey (2001)

1800 employers surveyed (52% had 10 or fewer employees)

- 30% anticipated adding employees that year
- 2/3 reported severe problems trying to hire qualified workers
- 1/3 said applicants poorly skilled
- 1/3 said applicants had the wrong skills for the jobs available
- 40% cited “a well trained staff” as key to remaining competitive

# Turnover costs cited as a major business expense...

- Turnover costs ranged from 33% of an employee's base salary to as high as 250%
- Examples showed estimates of turnover costs between \$5,000 and \$15,000 for entry level workers (call center employees)



# PLAN YOUR APPROACH

Analyze the partnership from a business point of view. Remember ...

— ***Business is in business to do business*** —

You and your program can meet the needs & concerns identified by employers in this survey.

# BASIC PRINCIPLES

- Understand employer motivations & concerns; esp. bottom-line profit motive
  - Fill job vacancies (NOW)
  - Reduce recruitment cost
  - Lower turnover costs (1 1/2 x salary)
- Be positive, not threatening
- Be concrete and specific (no generalities or stereotypes; only offer what you can produce)



# 1. DECIDE WHAT YOU SHOULD EMPHASIZE

- Financial incentives
  - 502e
  - WIA OJT or customized training
- The right worker for the right job
- Devise a pitch that stresses benefits rather than features

# EXERCISE





# Identifying and Presenting Program Benefits to Employers

- Brainstorm in small groups program benefits that would be attractive to employers, and perceived barriers to working with you and your client group
- Prioritize the 2 lists
- Group feedback to come up with a single Benefits and Barriers idea list

# IDENTIFY THE BENEFITS YOU OFFER

- Access to an employment pool, perhaps newly trained to meet specific needs
- Education about older workers
- Links to other community recruitment sources
- Publicity and visibility
- Credibility in the community



# Identify Employer Costs & Benefits of Hiring Older Workers

- Minimize red tape
- Cut any costs to employers in your control

# Costs & Benefits to Employers

COSTS

## To hiring older workers

- Anxiety/fear of:
  - high benefit costs
  - high turnover
  - high absenteeism due to health problems
  - negative public image

BENEFITS

- Gain dependable and productive employees
- Attract older consumers
- Positive public image
- Stabilize younger workers

## To using SCSEP/WIA

- Paperwork
- Identification w/ a government program
- Fear of getting the “leftovers”/unemployable
- Free recruitment/ screening services
- Publicity
- Training services
- Lower wage costs through OJT / 502e



# Benefits must be *REAL* to the employer ... (because the costs surely are)

- Can you quantify your results?
- Can you cite success stories?
- Can you note the statistics that back up your claim?
- Do you have believable anecdotes?

## 2. SEGMENT THE EMPLOYER MARKET

- Identify by type those most likely to hire older workers
- Pitch directly to this segment



# Segmenting Employer Markets

Two elements in targeting employers:



- Industries - the category of business you will target
- Occupations/jobs - types of jobs your participants want and the types of jobs you offer training in

### 3. IDENTIFY POTENTIAL PARTNERS

... companies that



- You have a relationship with
  - current program activities
  - other programs in your organization
- Have a local reputation for their interest in older workers
- Are known nationally for older worker interest (local office)
- Are facing difficulty recruiting or have high turnover





- High concentration of seasonal employees; peak/down hour demand
- Large number of women employees
- Service industries of all types
- Small businesses; mom&pop shops
- Companies with aging customer populations

# Brainstorm

What are some potential partnerships you could forge, or businesses you could approach and nurture?

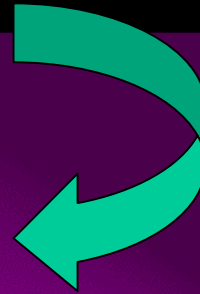
Consider both national, regional, and local companies.



## **4. Determine which industries have the most types of jobs participants want**

- Many part-time workers
- Many jobs with low physical demands
- Low wage jobs for those older workers wanting to minimize job training and income

# NEXT



Decide what types of training you can provide for what types of jobs



Ask your participants what types of jobs they are interested in and what types of employers they would like to work for



**5. Tailor promotional materials to answer employer questions and meet needs**

# **PREPARE WRITTEN MATERIALS**

- **Be succinct!**
- **Use a business vocabulary; Avoid jargon**
- **Highlight benefits to/results for business**
- **Promote only what you can deliver**
- **Clearly describe partnership parameters**
- **Clearly describe your expectations**
- **Use testimonials from satisfied employers**



# Seven Hints for Better Marketing Materials

1. Write for an individual, not a group
2. Write for those already interested and who agree with you. You can't change the others.
3. Address both emotional and intellectual needs. Which do you like better:
  - Older Workers are Reliable Employees
  - Imagine How You'll Feel When Employee Turnover Is No Longer A Problem

4. Use brief anecdotes, stories, and testimonials
5. Use “you” copy, not “we copy”. “You will get”, not “We will give you”
6. Be specific. Generalities are hard to believe. Use facts, figures, examples, dates, places, names



7. According to the Yale Psychology Department, the 16 words that spell success are:

Discovery

Easy

Free

Save

Guarantee

Introducing

Help

Today

Love

Money

News

You

Now

Proven

Results

Will

# 4. Choose a Mix of Marketing Tools

- Telephone Calls
- Personal Letters and Visits
- Employer Newsletters
- Employer Seminars



# NINE QUESTIONS FOR EMPLOYERS

- Are you finding it harder to recruit?
- Are you concerned about future recruitment?
- How many employees will you need to recruit by 2005?
- Are you concerned about the quality of the workforce you are now recruiting?

- Are attendance and work ethic of your workforce a concern to you?
- Is it becoming harder to find employees with the specific skills and training you need?
- Does the older population use your products and services?
- Is the older segment of your customer base growing?
- Do your customers prefer being served by people their own age?



# TEN PROVEN BUSINESS OUTREACH TECHNIQUES



Develop a list of products and services you now/could provide



Collect market research data to identify your customer base and its needs, wants, expectations



Supplement formal market research by listening well when talking to employers



Make the most of meetings with employers



People at all company levels can help you, but tailor your approach to each person's position



Cultivate the media for free publicity; be willing to pay for high visibility publicity



Publish an employer newsletter



Establish a business advisory committee



Sponsor employer events



Seek co-sponsorship opportunities with business



# **502(e) IN POLICY AND PRACTICE**

# What is 502(e)?

Section of Title V of the OAA that permits grantees to develop and operate job training projects designed to provide eligible individuals with second career training and placement opportunities in private business industries.

Projects must:

- Involve private business concerns, particularly in work modes such as job sharing, flex-time and flex-place
- Be focused on second career training, growth industries and jobs reflecting new technological skills
- Be an enhancement of unsubsidized placement opportunities



# How and When Can I Apply?

- Up to 1.5% of total Title V appropriation reserved from each annual appropriation for 502(e) projects prior to allocating funds to grantees to operate the regular Title V program
- Competition for the 502(e) funds announced by DOWP together with proposal and budget instructions

# What's Different?

## TITLE V:

- Provide part-time employment
- Provide vital community services [501(c)(3) or public agency required]
- Place participants in permanent employment

## 502(e):

- Provide training in preparation for unsubsidized employment
- Innovative
- Specific private sector focus (for profit entities, including profit making divisions of non-profit entities)



# HOW CAN IT HELP ME MEET PLACEMENT GOALS?

- Enhances the focus on unsubsidized placement
- Enables you to work more effectively with a wide range of potential employers
- Makes possible a broader range of services you can make available to private employers
- Offers flexibility in program operations
  - Private sector OJTs
  - Customized training coupled with “internships”

# What Program Activities are Permissible?

- **OJT** (negotiated contract; up to 50% training reimbursement; provides specific training leading directly to an unsubsidized job)
- **Classroom Training**
- **Work Experience** (negotiated contract; short-term training, then immediate hire on employer's payroll; grantee pays wages)
- **Placement** [training must be tied to private sector ↑ job in a growth industry or with career potential]
- **Participant Selection** [must meet Title V eligibility criteria]



- **Hours of Participation** [may exceed 1300 hr/yr limitation; may regularly work more than 20 hrs/wk] **Part-time/Full-time** [both are allowable]
- **Amount of Pay** [may be paid above minimum wage]
- **Time Limit** [time limit on participation can be established based on training needs]
- **Amount of Training** [may exceed 500hr/grant yr limitation]
- **Other uses of Funds** [practicums, tuition, participant wages, instructor/counselor costs, mileage, books/materials fees, recruitment ads, uniforms & other training costs, job search training, other transition services]
- **Coordination with WIA** [ projects must be linked with WIA activities and coordinate training resources]

**A good employer  
outreach effort and labor  
market analysis are  
essential to a successful  
502(e) program ...**



502(e) Projects emphasize placement in growth industries and in jobs reflecting new technological skills.

Training must be closely tied to needs of the local labor market to:

- ensure jobs will be available to trained participants, and
- ensure training content provides participants with skills/knowledge needed to compete for available jobs

# What you need to know about the labor market ...

- What employers currently hire older workers? For what kinds of jobs?
- What are the types of recent job openings?
- What is your unemployment rate? For the 55+? New hiring rates?
- What is the industry/business mix?



- What are wage rates for various industries & occupations?
- What are characteristics of the current labor force (skills, educational level, etc.)
- What industries are predicted by the WIB for future job growth? Demand occupations? (WIA Plan)
- What job trends are evident over the last 2 years? (downsizing, job growth, new business development)

# **Title V Staff are a source of labor market information**

- **What types of jobs have you found in recent months?**
- **Are there job openings you cannot fill due to participant skill lack?**
- **What did you learn about employers' hiring this past year?**
- **What have you learned attending WIB meetings/talking w/One-Stop staff?**
- **Do you talk to the Chamber/town/city officials about economic development?**



# Other Information Sources

- WIA Five-Year Plan [WIBs and One-Stops]
- Community colleges, VoTech schools, universities
- Chamber of Commerce
- Economic Development agencies
- State/local planning offices
- Local newspapers (business section)

# SUMMARY

- **Participant must meet eligibility requirements**
- **Participant must meet enrollment priorities**
- **Training must be consistent with the assessment and IEP**
- **Training must be for the enhancement of unsubsidized employment opportunities with private business concerns (for-profit entities)**
- **Must use set-aside competed SCSEP funds**



- **May be classroom, lectures, seminars, individual instruction, internships, training through other employment and training programs, on-the-job training (OJT) or work experience (WE)**
- **The above activities may be combined with job search or job club activities**
- **Does not involve community service assignments**
- **Training hours should be reasonable. Appropriate to the participant's situation**
- **Contracts are useful to define training objectives and the responsibility of the contracting parties**